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___ Discussion
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SUBJECT: FEDERAL LEGISLATIVE UPDATE

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POLICY ISSUE: Congress, the Administration, and federal agencies each year approve actions that impact the City in a broad range of areas. Staff may recommend, and/or Council may wish to direct, communication to the City's Congressional delegation on a range of issues throughout the year.

DIRECTION NEEDED FROM COUNCIL: This briefing provides information on the current activities of Congress. The information comes from a report provided by federal lobbyist Vicki Cram.

BACKGROUND:

FY 2014 Budget Conference Committee

The second formal meeting of the Budget Conference Committee on November 13 yielded no signs of progress on a fiscal agreement. Congressional Budget Office Director Douglas Elmendorf was present at the meeting to discuss the agency's deficit and revenue projections over the next 10 years and the economic impact of several proposals put forth by Democrats and Republicans. Also on November 13, CBO released an outline of over 100 options for deficit reduction, including mandatory and discretionary spending cuts; entitlement decreases; and increases in personal and corporate taxes.

On November 12, NDD United, a coalition of over 3,000 organizations advocating against budget cuts to nondefense discretionary (NDD) programs, released *Faces of Austerity: How Budget Cuts Have Made Us Sicker, Poorer and Less Secure*, a report highlighting the impact of sequestration on sectors such as public health, education, and workforce development.

Health Care

The House and Senate will continue to hold oversight and investigation hearings focused on the problems with HealthCare.gov. This week's hearings follow the Department of Health and Human Services' (HHS) announcement that 106,185 individuals have selected a health care insurance plan through the exchanges and President Obama's announcement that HHS will use its authority to allow insurers to renew current policies for individuals who currently hold policies that do not meet the Affordable Care Act's (ACA) coverage requirements. Senate Democrats will not advance legislation that would address the policy cancellations unless the President's

administrative fix does not adequately address the problem. This week, the Senate will vote on the drug compounding bill (H.R. 3204), which the House passed in September.

In regulatory action, the Centers for Medicare and Medicaid Services (CMS) issued a notice that outlines the framework for the Quality Rating System (QRS) for Qualified Health Plans (QHPs) that will be offered through the Health Insurance Marketplace. The framework would base QHP ratings on health care quality and outcomes, consumer experience, and cost. CMS proposes 42 measures by which to evaluate family and adult self-only coverage. The agency proposes 25 measures for child-only coverage QHPs. Comments are due by January 17, 2014.

Homeland Security

On November 20, the Senate Homeland Security and Governmental Affairs Committee will vote on the nomination of Jeh Johnson to be the next Secretary of the Department of Homeland Security (DHS). Both Chairman Tom Carper (D-DE) and Ranking Member Tom Coburn (R-OK) support his nomination, and Chairman Carper noted that Johnson has already been confirmed twice by the Senate for the positions of U.S. Air Force Chief Counsel and Department of Defense Chief Counsel. However, he received sharp questioning from Sen. John McCain (R-AZ), who stated that he could not support the nomination until Johnson provided more figures on illegal border crossings. If the committee votes to approve Johnson as is expected, it is also unclear whether Sen. Lindsey Graham (R-SC) will follow through on his threat to put a hold all executive nominees until he is given access to transcripts of FBI interviews with witnesses to the Benghazi terrorist attacks.

Comprehensive Tax Reform

House Ways and Means Chairman Dave Camp (R-MI) acknowledged recently that plans to overhaul the nation's tax code may not make it out of committee this year. Although Chairman Camp remained hopeful, he pointed to the government shutdown as slowing momentum and demurred when asked whether he would limit amendments to potential reform legislation. Chairman Camp met with Republican leaders, including House Speaker John Boehner (R-OH), on Thursday to discuss reform plans. No decisions were made regarding the potential timeline for tax reform and Chairman Camp said that he would continue to hone reform legislation.

In addition, Senate Finance Committee Chairman Max Baucus (D-MT) delayed a Finance Committee members' meeting that had been scheduled for last week to discuss the possible release of several tax reform draft proposals dealing with tax administration, cost recovery, and international tax. This followed a Finance Committee Republican member meeting on Wednesday during which time members agreed to delay a decision on whether to support draft options until pending budget discussions are resolved. Following this development, Chairman Baucus has indicated that he is considering how to proceed. It remains possible that Chairman Baucus may soon release these draft proposals without the support of Committee Republicans.

WRDA Reauthorization (Army Corps of Engineers)

After strong passage in the House by a vote of 417-3, the House is likely to name conferees this week for H.R. 3080, the Water Resources Reform and Redevelopment Act of 2013 (WRRDA). The Senate appointed conferees last week, and staff-level discussions have already begun. We expect there to be a conference agreement by early next year at latest, and quite possibly before the end of the year.

Farm Bill

Progress on the farm bill conference committee seemed to stall after weeks of deliberations. Conferees are no longer close to finding a compromise on the issue of tying crop price guarantees to planted or base acres, and dairy provisions remain on the negotiation table. Earlier this month, the chairwoman had commented that she thought a farm bill is “doable” before the Thanksgiving break, but public comments by conferees about negotiation struggles suggest otherwise. The farm bill conference will also be considering deep cuts to the Supplemental Nutrition Assistance Program (food stamp program).

The approach to finding a moving legislative vehicle to attach the farm bill to is becoming more complicated. Over the past few weeks, Senate Agriculture Committee Chairwoman Debbie Stabenow (D-MI) has stated that a farm bill will definitely be included in a larger congressional budget deal despite opposition from House Agriculture Committee Ranking Member Collin Peterson (D-MN). It appears, though, that Rep. Peterson may have an unexpected supporter in his effort to push against the chairwoman’s efforts. Speaker of the House John Boehner (R-OH) expressed publicly that he does not support the inclusion of any farm bill cost-savings in a congressional budget deal. Chairwoman Stabenow has yet to comment publicly on the speaker’s remarks.

ALTERNATIVES: N/A

RECOMMENDATION: N/A

ATTACHMENTS: N/A